



Hyper-personalization: The new must for Customer Experience Excellence

By Frost & Sullivan

Newsflash: most organizations are behind the curve when it comes to providing a differentiating customer experience (CX). **Offering multiple contact channels, expanding service hours, and including smart self-service tools** and automated interfaces are table stakes today and no longer enough to gain a competitive advantage. While this was a powerful mix a couple of years ago, customers today have significantly increased their service expectations and demand brands to know exactly what they want, when they do, and how to reach them. Increasing the capacity to respond to higher customer demand is, in fact, a key digital transformation objective for most organizations¹. To meet these increased customer demands, companies need to up their game, and they need to do it now.

The evolution of the physical world into a digital one requires companies to adapt quickly and integrate the right tools to be able to support customers in a new hybrid reality. Fast and reliable access to applications and content has become a must to communicate fluidly and securely from different platforms, devices, and channels.



61% of customers are excited about experiences that are natural, convenient, and fluid.ⁱⁱ



69% of worldwide organizations are seeing CX as their top business priority over the next 12 monthsⁱⁱⁱ.

There is no doubt that the opportunities brought by a new combined reality require then a rapid transformation. This means a transition aligned with business objectives, and supported by seamless business processes in place, that facilitate data sharing and collaboration between platforms and teams. **Companies must leverage novel technologies and innovate work models to create smart operations and serve customers in the way that they want**, always keeping security at the core of what they do. And they must do this while empowering their employees and consolidating a solid employee journey encompassed by digital recruiting, smooth onboarding, continued development and recognition, and even a strong offboarding process. Despite this central need, failing to automate and streamline business processes is one of the reasons that is preventing organizations to meet their CX objectives, as reported by 33% of Contact Center leaders surveyed by Frost & Sullivan^{iv}.

Certainly, engaging content drives a strong connection and more interactions between customers and brands, which translates into additional service and revenue-generation opportunities. And hyper-connected customers in this enriched landscape, are not close to lowering their demands. On the contrary,

71% of consumers expect companies to deliver personalized interactions

76% get frustrated when this doesn't happen^v

77% now demand personalized experiences^{vi}.

Globally, customers today want to be acknowledged as individuals and want brands to share relevant content, as well as to help them find their interests. Convenience is also king for busy, impatient customers, who want to choose the right moment and channel to be better served. However, 6 out of 10 companies are yet to have all channels fully integrated, a rate that falls quite behind for high demanding consumers knocking on business doors^{vii}.

Listen, Learn and Care: hyper-personalization is the new competitive frontier!

Lavoe, a popular salsa artist, sings wisely “each mind is one world”. Each person is unrepeatable, and companies must start recognizing individuals for their uniqueness. Customers are eager for deeper personalization. They want to be acknowledged and treated as individuals, as “a segment of one”, and they expect a seamless service that delivers personalized recommendations. One that can also proactively identify possible difficulties to be solved, if not ahead, fast. Despite this fact, **three quarters of business leaders currently perceive that their companies incorporate personalization plans** that go against what customers want, and only 22% of them say customer sentiment is used to personalize customer journeys^{viii}.

The good news is that data collection powered by AI can now be a strong enabler for companies to identify customer needs, preferences, and emotions timely, to serve them better in a fully personalized manner. The huge amount of client information available for companies is a gold mine to learn from their audience. Gold though, is not the data itself, but what can be learned from it to develop the right strategies for each customer. Today, this is a relevant challenge that companies face.



Two thirds of business leaders currently see a disorganized use of customer data in their organizations^{ix}.

98% of clients worry about their personal data



As there is more information to be collected and monitored through different channels and access points, security threats grow, as well as compliance and regulatory requirements. That is why it is fundamental that brands double their efforts to ensure that the information is secured, valid and reliable.

Yet, if the benefits of sharing information are clearly detailed, customers will be open to doing so.



83% of consumers reported they will share personal information for a customized service if the brand is transparent about its use^x.

The benefits of hyper-personalized experiences bring stronger customer retention and higher conversion rates, and their derived results are concrete:



91% of shoppers say they are more likely to buy products from retailers that use their name and provide personal recommendations.



80% of companies are seeing an uplift in sales after implementing personalization^{xi}.



Further, companies that grow faster, drive **40% more** of their revenue from personalization.^{xii}

Be where your customers want you to

There is still a path to walk and we're yet scratching the surface of what can be done around hyper-personalization, but its application is already driving impactful improvements toward seamless, conversational experiences. Tools such as speech analytics and sentiment analysis will also enable companies to offer warmer interactions, and as a result, improve customer satisfaction and loyalty. It's no surprise then that

78% of contact center leaders will most likely increase their spending on CX technologies in the next 12 months^{xiii}.

It is also crucial to bear in mind that having the right context in each customer interaction is key. Therefore, the data integrated into a single view, is also critical. **If collecting systems are not integrated and information is not shared**

among them, data analytics and AI can't be fully leveraged. But if companies migrate and align the right tools and processes, supported by empowered teams, they will certainly be one step closer to delivering truly friendlier and hyper-personalized experiences. Keep in mind that customers are expecting it: almost 60% of them believe that businesses should use the data they collect about them to personalize their experiences.

But walking this road alone can be haunting. **Companies must find the right partner that can help them get to their destination faster and safer.** Orchestrating the several technologies and processes needed to create truly seamless, memorable, and personalized customer journeys is hard work and must not be taken lightly. But losing track of what your customers want is the easiest way to come to be irrelevant in your market.

Will you accept the challenge or risk becoming obsolete?

Source of information:

ⁱFrost & Sullivan. "IT Decision Makers Survey". 2022.

ⁱⁱZendek. "CX Customer Trends". 2023

ⁱⁱⁱFrost & Sullivan. "IT Decision Makers Survey". 2022.

^{iv}Frost & Sullivan. "IT Decision Makers Survey". 2022.

^vMcKinsey, Relatório "O próximo passo em termos de personalização", 2021

^{vi}Trendwatching, Tendências dos consumidores para 2023 (apresentação ao vivo)

^{vii}Frost & Sullivan. "IT Decision Makers Survey". 2022.

^{viii}Zendesk. "CX Customer Trends". 2023

^{ix}Zendesk. "CX Customer Trends". 2023

^xProprofs. "Personalized Customer Experience: What, How, and Why". 2020.

^{xi}Accenture, Relatório "If you don't know me by now", 2021

^{xii}McKinsey, Relatório "Next in Personalization", 2021

^{xiii}Frost & Sullivan. "IT Decision Makers Survey". 2022.

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